

Union Calendar No. 258

112TH CONGRESS
2D SESSION

H. R. 3582

[Report No. 112-377, Part I]

To amend the Congressional Budget Act of 1974 to provide for
macroeconomic analysis of the impact of legislation.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 2011

Mr. PRICE of Georgia (for himself, Mr. GARRETT, Mr. RYAN of Wisconsin, Mr. HENSARLING, Mr. CHAFFETZ, and Mr. STUTZMAN) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JANUARY 30, 2012

Additional sponsors: Mr. RIBBLE, Mr. KINZINGER of Illinois, Mr. PAULSEN, Mr. HANNA, Mr. FLORES, Mr. FLEMING, Mr. MARCHANT, Mr. MULVANEY, Mr. WILSON of South Carolina, Mrs. LUMMIS, Mr. DESJARLAIS, Mr. ROKITA, Mr. GOSAR, Mr. BARTLETT, Mr. ROE of Tennessee, Mr. WESTMORELAND, Mr. REED, Mr. LANKFORD, Mr. ROSS of Florida, Mr. BROUN of Georgia, Mr. MCHENRY, Mr. WOODALL, Mr. PITTS, Mr. HUELSKAMP, Mr. BARTON of Texas, Mr. WALBERG, Mr. KINGSTON, Mr. PEARCE, Mr. HARRIS, Mr. QUAYLE, Mr. POSEY, Mr. CULBERSON, Mrs. BLACKBURN, Mr. FRANKS of Arizona, Mr. AMASH, Mr. MCCLINTOCK, Mr. SCALISE, Mr. KLINE, Mr. MANZULLO, Mr. STIVERS, Mr. FLAKE, Mr. BONNER, Mrs. BLACK, Mr. TIBERI, Mr. HULTGREN, Mr. MCKINLEY, Mr. HARPER, Mr. AUSTIN SCOTT of Georgia, Mr. RIVERA, Mr. GIBSON, Mr. AUSTRIA, Mr. JOHNSON of Ohio, Mr. CRAVAACK, Mr. GINGREY of Georgia, Mr. GRAVES of Georgia, Mr. BARLETTA, Mr. MACK, Mr. GARDNER, Mr. SULLIVAN, Ms. HAYWORTH, and Mr. BILIRAKIS

JANUARY 30, 2012

Reported from the Committee on the Budget with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on December 7, 2011]

JANUARY 30, 2012

The Committee on Rules discharged; committed to the Committee of the
Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Congressional Budget Act of 1974 to provide
for macroeconomic analysis of the impact of legislation.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Pro-Growth Budgeting*
 5 *Act of 2012”.*

6 **SEC. 2. MACROECONOMIC IMPACT ANALYSES.**

7 *(a) IN GENERAL.—Part A of title IV of the Congres-*
 8 *sional Budget Act of 1974 is amended by adding at the*
 9 *end the following new section:*

10 “MACROECONOMIC IMPACT ANALYSIS OF MAJOR
 11 LEGISLATION

12 “SEC. 407. (a) CONGRESSIONAL BUDGET OFFICE.—
 13 *The Congressional Budget Office shall, to the extent prac-*
 14 *ticable, prepare for each major bill or resolution reported*
 15 *by any committee of the House of Representatives or the*
 16 *Senate (except the Committee on Appropriations of each*
 17 *House), as a supplement to estimates prepared under sec-*
 18 *tion 402, a macroeconomic impact analysis of the budg-*
 19 *etary effects of such bill or resolution for the ten fiscal-year*
 20 *period beginning with the first fiscal year for which an esti-*
 21 *mate was prepared under section 402 and each of the next*
 22 *three ten fiscal-year periods. Such estimate shall be predi-*
 23 *cated upon the supplemental projection described in section*
 24 *202(e)(4). The Director shall submit to such committee the*
 25 *macroeconomic impact analysis, together with the basis for*
 26 *the analysis. As a supplement to estimates prepared under*

1 *section 402, all such information so submitted shall be in-*
 2 *cluded in the report accompanying such bill or resolution.*

3 “(b) *ECONOMIC IMPACT.*—*The analysis prepared*
 4 *under subsection (a) shall describe the potential economic*
 5 *impact of the applicable major bill or resolution on major*
 6 *economic variables, including real gross domestic product,*
 7 *business investment, the capital stock, employment, and*
 8 *labor supply. The analysis shall also describe the potential*
 9 *fiscal effects of the bill or resolution, including any esti-*
 10 *mates of revenue increases or decreases resulting from*
 11 *changes in gross domestic product. To the extent prac-*
 12 *ticable, the analysis should use a variety of economic models*
 13 *in order to reflect the full range of possible economic out-*
 14 *comes resulting from the bill or resolution. The analysis (or*
 15 *a technical appendix to the analysis) shall specify the eco-*
 16 *nomie and econometric models used, sources of data, rel-*
 17 *evant data transformations, and shall include such expla-*
 18 *nation as is necessary to make the models comprehensible*
 19 *to academic and public policy analysts.*

20 “(c) *DEFINITIONS.*—*As used in this section—*

21 “(1) *the term ‘macroeconomic impact analysis’*
 22 *means—*

23 “(A) *an estimate of the changes in economic*
 24 *output, employment, capital stock, and tax reve-*

1 *nues expected to result from enactment of the*
 2 *proposal;*

3 *“(B) an estimate of revenue feedback ex-*
 4 *pected to result from enactment of the proposal;*
 5 *and*

6 *“(C) a statement identifying the critical as-*
 7 *sumptions and the source of data underlying*
 8 *that estimate;*

9 *“(2) the term ‘major bill or resolution’ means*
 10 *any bill or resolution if the gross budgetary effects of*
 11 *such bill or resolution for any fiscal year in the pe-*
 12 *riod for which an estimate is prepared under section*
 13 *402 is estimated to be greater than .25 percent of the*
 14 *current projected gross domestic product of the United*
 15 *States for any such fiscal year;*

16 *“(3) the term ‘budgetary effect’, when applied to*
 17 *a major bill or resolution, means the changes in reve-*
 18 *nues, outlays, deficits, and debt resulting from that*
 19 *measure; and*

20 *“(4) the term ‘revenue feedback’ means changes*
 21 *in revenue resulting from changes in economic growth*
 22 *as the result of the enactment of any major bill or res-*
 23 *olution.”.*

24 *(b) CONFORMING AMENDMENT.—The table of contents*
 25 *set forth in section 1(b) of the Congressional Budget Act*

1 of 1974 is amended by inserting after the item relating to
 2 section 406 the following new item:

“Sec. 407. Macroeconomic impact analysis of major legislation.”.

3 **SEC. 3. ADDITIONAL CBO REPORT TO BUDGET COMMIT-**
 4 **TEES.**

5 Section 202(e) of the Congressional Budget Act of 1974
 6 is amended by adding at the end the following new para-
 7 graphs:

8 “(4)(A) After the President’s budget submission
 9 under section 1105(a) of title 31, United States Code,
 10 in addition to the baseline projections, the Director
 11 shall submit to the Committees on the Budget of the
 12 House of Representatives and the Senate a supple-
 13 mental projection assuming extension of current tax
 14 policy for the fiscal year commencing on October 1 of
 15 that year with a supplemental projection for the 10
 16 fiscal-year period beginning with that fiscal year, as-
 17 suming the extension of current tax policy.

18 “(B) For the purposes of this paragraph, the
 19 term ‘current tax policy’ means the tax policy in stat-
 20 ute as of December 31 of the current year assuming—

21 “(i) the budgetary effects of measures ex-
 22 tending the Economic Growth and Tax Relief
 23 Reconciliation Act of 2001;

1 “(ii) the budgetary effects of measures ex-
2 tending the Jobs and Growth Tax Relief Rec-
3 onciliation Act of 2003;

4 “(iii) the continued application of the alter-
5 native minimum tax as in effect for taxable
6 years beginning in 2011 pursuant to title II of
7 the Tax Relief, Unemployment Insurance Reau-
8 thorization, and Job Creation Act of 2010, as-
9 suming that for taxable years beginning after
10 2011 the exemption amount shall equal—

11 “(I) the exemption amount for taxable
12 years beginning in 2011, as indexed for in-
13 flation; or

14 “(II) if a subsequent law modifies the
15 exemption amount for later taxable years,
16 the modified exemption amount, as indexed
17 for inflation; and

18 “(iv) the budgetary effects of extending the
19 estate, gift, and generation-skipping transfer tax
20 provisions of title III of the Tax Relief, Unem-
21 ployment Insurance Reauthorization, and Job
22 Creation Act of 2010.

23 “(5) On or before July 1 of each year, the Direc-
24 tor shall submit to the Committees on the Budget of
25 the House of Representatives and the Senate, the

1 *Long-Term Budget Outlook for the fiscal year com-*
2 *mencing on October 1 of that year and at least the*
3 *ensuing 40 fiscal years.”.*

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